



Anti-fraud, bribery, and corruption strategy and policy

Managing the risk of Fraud

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Links to Related Policies and Procedures:

- [Fraud notification form](#) and Investigation Guidance
- [Anti-Money Laundering Policy and Guidance](#)
- [Whistleblowing Policy](#)
- [Regulation of Investigatory Powers Act Policy and Procedures](#)
- [Members' Code of Conduct](#)
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Statement on Fraud by the Strategic Leadership Team

Bristol City Council – Strategic Leadership team are committed to implementing and maintaining the highest standard of corporate and financial governance and ethical behaviour. We recognise that fraud against the council harms the citizens and taxpayers of Bristol and for that reason, fraud, bribery and corruption against the council will not be tolerated and all such occurrences will be investigated. We will undertake to consider the circumstances of each case of fraud we investigate to ensure we seek a fair and balanced outcome.

We fully support the investigation of allegations of fraud, the continued development of a robust anti-fraud culture and framework within the Council and a strong stance being taken where fraud is found.

The diverse nature of services provided by a council mean that there are many areas where we could be a target for fraud. We will ensure we understand the main fraud risks we face and set out how we protect against them in our fraud risk registers.

We the leadership team, with your support, will strive to ensure that we have robust processes in place to prevent fraud in the first instance and, that we do not forget the risk of fraud in our drive to improve efficiency in our services.

A. Anti-Fraud, Bribery and Corruption Strategy

1. The City Council has for many years had a strong approach to Fraud and Corruption with policies and processes designed to prevent, detect and punish fraud. Indeed, the Council is well regarded as a lead local authority in tackling some areas of fraud

2. The Government has made it clear that it expects both central and local government departments to take the issue of fraud seriously and do more to tackle the losses to fraud from public sector funding.

3. The 2012 National Fraud Strategy for Local Government - 'Fighting Fraud Locally' set out the key principles for central and local government to tackle fraud based around five key themes:

- Culture - a zero tolerance approach to fraud.
- Collaboration - working together better.
- Consistency - standardising counter-fraud practices.
- Accountability - taking responsibility for fraud.
- Transparency - honesty about fraud.

4. Additionally, it identifies three key areas in countering fraud and corruption as detailed below. An overview of the Council's arrangements to demonstrate our alignment to these core strands of the national strategy can be seen in Fraud, Bribery and Corruption Governance Arrangements.

5. Acknowledging and Understanding the Fraud Risks Faced by the Council:

- Ensuring awareness of, and clear responsibility for fraud risks and how they are managed, including new and emerging risks. Determining the Council's fraud loss profile and ensuring the appropriate levels of resource is invested in counter-fraud work.
- Improving reporting, recording and measurement of fraud and irregularity affecting the Council.
- Ensuring awareness training is provided to new staff and at various intervals throughout their employment, particularly staff working in areas of high risk.
- Ensuring that counter-fraud staff are adequately trained to undertake their roles effectively.
- Supporting collaborative working and information sharing about fraud and fraudsters between departments, other Local Authorities and other enforcement agencies.

6. Improving Fraud Prevention and Detection Measures:

- Making better use of data held by the council, and technology to prevent and detect fraud.
- Developing data and intelligence sharing protocols.
- Ensuring fraud risk registers are reviewed regularly and that there is clear responsibility for the fraud risks.
- Undertaking fraud prevention reviews of key fraud risk areas.
- Ensuring fraud is not forgotten in the streamlining and efficiency reviews of systems and processes.
- Targeting proactive fraud work at high risks areas that are likely to generate good returns for the resource invested.
- Reviewing the effectiveness of counter fraud work as a contribution to the Council's financial reduction strategy.
- Developing a stronger anti-fraud culture across the Council and other delivery agents.
- Reviewing and improving the council's web and intranet pages in respect of fraud.
- Making better use of publicity opportunities as a deterrent to fraudsters.
- Reviewing the impact of new legislation on fraud and fraud prevention/detection.
- Targeting new and emerging areas of fraud risk and developing sound systems that mitigate the risks.
- Assessing the council's arrangements annually against best practice toolkits/assessments and benchmarking.

7. Pursuing Fraudsters and Recovering Losses

- Working towards a more consistent and supportive law enforcement response and improved capability to investigate and sanction fraud.
- Using legislation available to prosecute the more serious cases of fraud.

- Investigating other possible avenues of restitution other than prosecution.
- To better manage expectations re responsive fraud investigation work and to ensure Managers involved are given regular updates on progress (as far as confidentiality permits).
- To monitor the council's need for a financial investigator.

8. The progress against and effectiveness of this strategy will be reviewed annually and performance assessed by the Audit Committee. Some of the actions included are dependent on the Government addressing fraud governance issues at a national level.

B. Anti-Fraud, Bribery and Corruption Policy

1. Purpose

1.1 The purpose of this Policy is to set out clearly to the public and also to Councillors, employees, contractors, and organisations who work with the Council:

- The Council's commitment to tackling fraud, bribery, and corruption.
- The responsibilities of Councillors and employees to report any suspicions they have.
- The importance of the public in tackling fraud.

1.2 Other relevant policies include:

- Fraud notification form and investigation guidance
- Anti-Money Laundering Policy and Guidance
- Whistleblowing Policy
- Regulation of Investigatory Powers Act Policy and Procedures
- Members' Code of Conduct
- Employees Code of Conduct
- Financial Regulations
- Procurement Regulations

2. Key Principles

2.1 The Council will not tolerate fraud, bribery or corruption and if proved employees will face possible dismissal and/or prosecution.

2.2 The Council expects that Councillors and officers at all levels will lead by example to ensure high standards of propriety, integrity and accountability.

2.3 The Council will endeavor to raise fraud awareness among employees both at induction and periodically throughout the period of employment.

2.4 The Council expects Councillors and Senior Officers to emphasise the importance of anti-fraud work and to actively promote the fight against fraud.

2.5 The Council expects that all employees and Councillors will support the fight against fraud and that individuals and organisations with whom it comes into contact will act with integrity towards the Council.

2.6 The Council understands the fraud risks it faces and will implement policies and procedures to identify and prevent fraud, bribery and corruption, but will also take all action necessary to identify it.

2.7 The Council will take appropriate action against those responsible for fraud and where possible recover losses incurred.

2.8 Members of the public are asked to contribute to the Council's fight against fraud by remaining vigilant to the potential for fraud and reporting it where they suspect the Council is being targeted. Employees and Councillors have a duty to do so, and concerns should be raised when it is reasonably believed that one or more of the following has occurred, is occurring or is likely to occur:

- A criminal offence.
- A failure to comply with a statutory or legal obligation.
- Improper or unauthorised use of public or other official funds.

2.9. Investigators must be fair, independent and objective. They must not let any political views or personal views about ethnic or national origin, sex, religious beliefs, or the sexual orientation of the suspect, victim or witness influence their decisions. They must not be affected by improper or undue pressure from any source.

3. Definitions - What is Fraud, Bribery and Corruption?

3.1 **The Fraud Act 2006** (which became effective on 15 January 2007) created a general criminal offence of fraud and identified three main ways it can be committed:

- Fraud by false or misleading representation.
- Fraud by failing to disclose to another person information which he is under a legal duty to disclose.
- Fraud by abuse of a position of trust.

3.2 The Act also created four related criminal offences of:

- Possession of articles for use in frauds.
- Making or supplying articles for use in frauds.
- Participating in fraudulent business.
- Obtaining services dishonestly.

3.3 **The Theft Act 1968 and the Forgery and Counterfeiting Act 1981** define offences of:

- Theft
- False Accounting
- Forgery

3.4 **The Bribery Act 2010** contains two general offences:

- Section 1 - the offering, promising or giving of a bribe (active bribery);
- Section 2 - and the requesting, agreeing to receive or accepting of a bribe (passive bribery)

it also sets out two further offences which specifically address commercial bribery:

- Section 6 - creates an offence relating to bribery of a foreign public official in order to obtain or retain business or an advantage in the conduct of business;
- Section 7 - creates a new form of corporate liability for failing to prevent bribery on behalf of a commercial organization.

3.5 **The Prevention of Social Housing Fraud Act 2013** makes the act of sub-letting a 'Local Authority' or other 'registered social landlord' property, a criminal offence.

4. Responsibilities

4.1 The Accounts and Audit Regulations (England) 2011 require the Council to have appropriate control measures in place to enable the prevention and detection of inaccuracies and fraud. The Council is committed to an effective anti-fraud approach designed to reduce losses to fraud by:

- Acknowledging and understanding fraud risks faced.
- Preventing fraud happening and detecting it when it does occur.
- Pursuing and punishing fraudsters and recovering losses.

4.2 Detailed roles and responsibilities in relation to fraud are set out in Section C.

5. Reporting Fraud

5.1 The ultimate aim is to prevent fraud at the outset; however, despite our best attempts determined fraudsters may succeed.

5.2 If fraud, bribery or corruption is suspected, it should be reported without delay to a line manager or other senior officer, or to Internal Audit.

5.3 Information can be reported via the fraud hotline, or using the council's fraud referral form on the web site. This can be done anonymously if required.

5.5 Allegations re schools should be reported initially to the Chair of Governors of the school or, if this is not appropriate, the Service Director (Education).

5.6 The investigation process will follow the procedure set out in Internal Audit's Investigation Protocol.

5.7 Useful contact numbers for reporting fraud are as follows. A fraud notification form is also available on the Source and Website.

Chief Internal Auditor	0117 9222448 /9222063
City Director	0117 9224888
Monitoring Officer (Service Director: Legal)	0117 9222839
A 24 hour fraud Hotline. Callers leaving their contact details can assist investigations but allegations can also be made anonymously.	0117 9222470
Outside bodies eg Public Concern at Work will give free and independent advice on how to proceed	020 74046609

5.8 The Investigation Protocol is designed to ensure that Internal Audit:

- Applies a consistent approach.
- Assigns appropriately experienced staff to investigate fraud depending on the type and nature of the fraud.
- Maintains records of all fraud experienced to inform an assessment of the Council's fraud risks.

5.9 The confidential nature of fraud investigations mean that updates cannot usually be provided to those who have reported allegations. All allegations will be taken seriously and where there is evidence to support an allegation, will be fully investigated. Police will be involved where appropriate.

5.10 Updates on progress will be provided to Managers where investigations have been commissioned internally. Updates cannot be provided to the public for reasons of confidentiality.

6. Investigation of Fraud

6.1 The investigation of fraud, bribery and corruption is a complex and specialist area and will usually be undertaken by staff in Internal Audit or, for less complicated cases, managers, under advice from Internal Audit.

6.2 To facilitate audit work and investigations, Internal Audit staff are accorded rights, by the Accounts and Audit Regulations (England) 2011, to access all necessary documents, records, information and explanations from any member of staff. These access rights are confirmed in Financial Regulations.

6.6 The investigation process is set out in the Investigations Protocol also available on the council's web pages.

7. Actions Taken When Fraud is Established

7.1 Disciplinary, civil and criminal sanctions will be used, as appropriate to each case, in punishing fraud and recovering losses.

7.2 Fraud, bribery, corruption and theft by Councillors or staff will be regarded as gross misconduct. Disciplinary action will be taken against staff, and Councillors' misconduct will be dealt with by an independent person and the Audit Committee.

7.3 One option available to the Council is criminal prosecution. We recognise that this is a serious step to take and the decision to refer cases for prosecution will not be taken lightly and may involve Audit Management, Legal Services, and Directorate Management.

7.4 The ultimate decision on prosecution will be taken by the prosecuting body, which in some cases will be the Council or the Crown Prosecution Service. A Financial Investigator and/or the Police will be utilised in cases where their additional powers are required to secure evidence or recovery of funds, or where the matter cannot be fully pursued in-house.

7.5 Although the prime responsibility for the investigation of benefit fraud (including Housing Benefit fraud) lies with the Fraud and Error Service (part of the Department for Work and Pensions) the administration of the Housing Benefit scheme still remains with Bristol City Council. To this end close working relationships have been established with the Fraud and Error Service to help ensure that the appropriate sanction (including prosecution) is taken against those who have committed Housing Benefit Fraud. The investigation of Council Tax Reduction fraud still remains with Bristol City Council and the appropriate sanction (including prosecution) is applied.

7.6 In determining whether to prosecute each case will be considered on its own facts and merits.

7.7 Where necessary, the Council will work in co-operation with other organisations such as the Police, Department for Work and Pensions, Home Office, Her Majesty's Revenue and Customs, other Local Authorities, and departments of Bristol City Council.

7.8 When considering a case for prosecution it is generally accepted that there are two "tests" to be applied – the evidential test and the public interest test. These are set out in The Code for Crown Prosecutors.

- Evidential Stage Test - Prosecutors must be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each suspect on each charge. A case will not go forward for prosecution if it fails this test.
- Public Interest Test - A prosecution will usually take place unless the prosecutor is sure that there are public interest factors tending against prosecution which outweigh those tending in favour, or is satisfied that the public interest may be properly served by offering the offender the opportunity to have the matter dealt with by an out-of-court disposal.

7.9 All avenues for recovering losses will be considered, including confiscation under the proceeds of crime act, civil claims, recovery from accrued pensions and appropriate insurance claims.

7.10 Publicity will be used as a deterrent and wider circulation of investigative reports and lessons learned will be an on-going consideration. Public statements and press releases must be made through the Council's Marketing and Communications Team.

8. Data-matching and Data-sharing

8.1 The Council will use information provided by Councillors, employees, service users and suppliers in the prevention and detection of fraud. Data matching and analysis exercises are undertaken, both internally, locally and nationally to facilitate investigation of fraud.

8.2 All data extraction and use adheres to Data Protection legislation, and has regard to the confidentiality of information.

9. Review

9.1 These arrangements will be reviewed annually to ensure the Council remains resilient to the changing and growing fraud threat.

B. Responsibilities under this policy and strategy

Group/ Individual	Responsibilities
1. Mayor & Councillors	<ul style="list-style-type: none"> • A duty to the citizens of Bristol to protect the Council and public money from any acts of fraud and corruption. • Compliance with the Code of Conduct for Members, the Council's Constitution, including Financial Regulations and Procurement Regulations, in particular the requirements regarding interests, gifts, and hospitality. • Avoid situations where there is a potential for a conflict of interest. • Report fraud, bribery or corruption where it is reasonably suspected that the Council is being targeted.
2. Audit Committee	<ul style="list-style-type: none"> • Provide assurance on the anti-fraud arrangements to Council and sign off the Annual Governance Statement regarding fraud issues specifically. • Approval of the Anti-Fraud, Bribery and Corruption Strategy and Policy. • Monitor performance against the fraud strategy.
3. Strategic Directors	<ul style="list-style-type: none"> • Support the maintenance of a strong culture where fraud, bribery and corruption is unacceptable. • Notify the Chief Internal Auditor immediately of any fraud or irregularity.
4. Service Director: Finance	<ul style="list-style-type: none"> • Ensure that effective procedures are in place for the prompt investigation of any fraud or irregularity, • Ensure awareness of fraud risks is maintained through training, publicity, fraud risk registers and fraud prevention work. • Ensure that arrangements are in place to actively pursue fraud.
5. Managers including Head Teachers, senior staff and School Governors	<ul style="list-style-type: none"> • Ensure that they, and their staff, understand the fraud risks faced in delivering services by maintenance of a fraud risk assessment. • Implement and maintain an effective control environment to prevent fraud, commensurate with the level of risk identified. • Communicate the requirements of this and related policies (refer to paragraph 1.2 of the Policy) in their work area.

	<ul style="list-style-type: none"> • Create an environment in which staff feel able to report concerns of suspected fraud. • Advise Internal Audit of any suspected cases of fraud and carry out or assist in the investigation of it as required. Advise Internal Audit of the outcome of any cases investigated.
6. Business Change Programme Managers	<ul style="list-style-type: none"> • As Managers • Ensure fraud prevention controls are built in to new service delivery methods, systems and processes.
7. All Employees irrespective of status	<ul style="list-style-type: none"> • Be aware of the possibility that fraud, bribery, corruption and theft may exist in the workplace and report it where they reasonably suspect the Council is being targeted. • Avoid situations where there is a potential for a conflict of interest • Comply with the Council's policies and codes as detailed in paragraph 1.2 of the Policy.
8. Internal Audit	<ul style="list-style-type: none"> • Maintain an overall fraud risk assessment on behalf of the Council and review the effectiveness of the Council's response to the risks faced. • Deliver an opinion to the Service Director Finance, the Executive Member and the Audit Committee on the Council's fraud risk management, control and governance arrangements. • Undertake an annual programme of pro-active fraud work designed to prevent and detect fraud. • Ensure cases of suspected irregularity, fraud or corruption are effectively investigated and punished by appropriate sanctions in liaison with the Police, Legal Services and HR. (Exception: housing benefit fraud). • Instigate recovery action wherever possible to recoup the losses on behalf of the Council. • Maintain a 24-hour Fraud Hotline (0117 9222470) • Advise management on procedural improvements required to prevent occurrence or recurrence of fraud. • Develop and encourage the exchange of information on national and local fraud and corruption activity in relation to local authorities with external agencies.
9. Human Resources	<ul style="list-style-type: none"> • Provide timely advice and guidance on Council Policies and procedures during investigations and any disciplinary action • Ensure recruitment procedures to be applied by Managers are effective in the verification and validation of information submitted by applicants prior to appointment. Eg eligibility to work, verification of qualifications and employment history, Criminal Records Bureau checks where appropriate.
10. Service Director: Legal	<ul style="list-style-type: none"> • Advise Councillors of new legislative or procedural requirements regarding conduct and ethical matters. • Maintain a register of Members interests, gifts and hospitality declared • Take criminal and civil actions to ensure appropriate sanctions are applied. • Provide advice on potential criminal cases.